

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 /018 W
-----230508Z 001241 /13

R 221340Z MAY 77
FM AMCONSUL DHAHRAN
TO USDOC WASHDC
AMEMBASSY ATHENS
AMEMBASSY DAMASCUS
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
INFO SECSTATE WASHDC 5452

UNCLAS SECTION 1 OF 2 DHAHRAN 0590

E.O. 11652: N/A
TAGS: BEXP, SA
SUBJECT: PROCESS CONTROLS SEMINAR MISSION

REF: STATE 109580

1. POST HAS CONSIDERED CONTENTS OF REFTEL CARE-
FULLY. PROPOSAL TO SEND A PROCESS CONTROLS TRADE
MISSION TO SAUDI ARABIA IS WELL WORTH CONSIDERING AND WE ARE
DELIGHTED USDOC IS TAKING THE INITIATIVE TO PLAN TRADE
PROMOTION EVENTS WITH A STRONG TECHNOLOGICAL CONTENT.
RECENT EDP SEMINAR WAS AN EXAMPLE AND ONE THAT APPEALED
TO SAUDIS WHO ARE MAKING STRONG DRIVE TO BECOME AN
IMPORTANT INDUSTRIAL COUNTRY IN FUTURE. THAT FUTURE,
AS SAUDIS WE TALK WITH FREELY ADMIT, IS STILL IN DISTANT
FUTURE. CONSEQUENTLY WE RECOMMEND THAT CONSIDERATION
BE GIVEN TO TRADE PROMOTION VEHICLE IN PROCESS CONTROLS
FIELD THAT WILL BE AIMED AT DEVELOPING A MARKET AND WILL RIVET
ITS ATTENTION ON US SOURCES OF SUPPLY IN FUTURE.
F2. AS POST HAS COME TO BETTER UNDERSTAND THE SAUDI MARKET
FOR PROCESS CONTROLS, IT CAN NOW ADVISE USDOC TO CONSIDER THAT
(A) SAUDI ARABIA HAS ONLY JUST ENTERED ONTO THE THRESHOLD OF IND-
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USTRIAL DEVELOPMENT; AND (B) ITS INDEPENDENCE IN SELECTING PROCESS
CONTROLS MAY BE A DECADE AWAY. TO EXPLAIN, INDUSTRIAL
SECTOR OF EASTERN PROVINCE, OUTSIDE OF ARAMCO, CEMENT PLANT, AND
FEW TINY INDUSTRIAL PLANTS, IS LARGELY CREATION OF LAST
HALF DECADE. THOSE RECENTLY CONSTRUCTED PLANTS AND THOSE
ABUILDING ARE MOSTLY JOINT VENTURES WHICH ARE MANAGED
BY NATIONALS OF FOREIGN JOINT VENTURE PARTNERS WHO PRO-

VIDE TECHNICAL KNOW-HOW FOR INDUSTRIAL ENTERPRISE.
SELECTION OF PROCESS CONTROLS, NOT SURPRISINGLY, IS MADE BY
FOREIGN PARTNER IN LEAGUE WITH INDUSTRIAL DESIGN COMPANIES
LOCATED OUTSIDE SAUDI ARABIA.

3. MULTI-BILLION DOLLAR PETRO-CHEMICAL INDUSTRIAL PROJECT
ATYRKEBIL HOLDS BRIGHT PROSPECTS FOR US PROCES CONTROL
COMPANIES. THIS IS FAR IN FUTURE AND IF FOREIGN JOINT
VENTURE PARTNER IS US COMPANY -- WHICH MORE OFTEN THAN
NOT APPEARS WILL BE THE CASE - SPECS OF INDUSTRIAL
PLANT WILL FAVOR U.S. SUPPLIERS. IN ANY CASE THE
DRAWING UP OF SPECS FOR THESE MAJOR PROJECTS ARE BEING
DONE BY INDUSTRIAL ENGINEERING COMPANIES OUTSIDE OF
SAUDI ARABIA. FOR EXAMPLE, SHELL USA HAS COMMISSIONED
FLUOR TO DO ENGINEERING DESIGN FOR ITS PROPOSED PETRO-
CHEMICAL PLANT AT JUBAIL AND IT SEEMS CERTAIN SPECS WILL
CALL FOR US PROCESS CONTROLS. FACT OF SITUATION, SO FAR
AS IT APPLIES TO THIS PART OF SAUDI ARABIA, IS THAT US
TRADE MISSION SEEKING SALES FOR JUBAIL PROJECTS WOULD BE
BETTER ADVISED TO MAKE CALLS IN US ON FLUOR, BECHTEL, FOSTER-
WHEELER, ETC. AND THEIR COUNTERPARTS IN JAPAN, NETHERLANDS, AND
GERMANY. SAUDI ARABIA AND HER ENGINEERS AND TECHNICIANS
WILL SOMEDAY FIGURE IN PROCESS CONTROL PROCUREMENT
DECISIONS BUT THAT DAY APPEARS TO BE SO FAR AWAY AS TO BE
OF LITTLE IMMEDIATE SIGNIFICANCE TO TRADE MISSION
(WITH OR WITHOUT SALES SEMINAR) OF THE KIND SUGGESTED IN
REFTEL.

4. FOREGOING ASIDE, POST CONTINUES SEE SOME MERITNNN SENSITIZING
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MARKET HERE FOR FUTURE SALES OF PROCESS CONTROLS (SEE DHAHRAN 0067).
IT NOW URGES, HOWEVER, THAT USDOC ORGANIZE CATALOG SHOW AND
ONE-MAN TECHNICAL SEMINAR IN PLACE OF TRADE PROMOTION EVENT
PROPOSED IN REFTEL. USING MARKET SEEDING APPROACH,
LITERATURE OF US PROCESS CONTROL COMPANIES WOULD BE ON
DISPLAY (PERHAPS WITH FEW WORKING EXHIBITS) AS BACKGROUND
TO LECTURE GIVEN BY LEADING US CONSULTANT IN FIELD OF PROCESS
CONTROLS. HE WOULD, (WITH AUDIO-VISUAL MATERIAL)
EXPLAIN THE STATE OF THE ART TO SAUDI IMPORTERS AND THEIR
TECHNICAL MANAGERS. PURPOSE OF CATALOG SHOW WOULD BE
TO (A) ESTABLISH US TECHNOLOGICAL LEADERSHIP IN MIND
OF MARKET; (B) IDENTIFY THOSE COMPANIES WHICH WOULD BE
GOOD AGENCY CANDIDATES; AND (C) KEEP AHEAD OF THE COM-
PETITION BY SHOWING OUR WARES. CONSULTANT WOULD SERVE
DOUBLE ROLE OF MARKETING ADVISOR WHO WOULD ADVISE ON
WHEN TO PROGRAM SALES SEMINAR SUGGESTED IN REFTEL.

5. AS FRANK COMMENT, POST JUDGES TECHNICAL SALES
SEMINAR, OF KING DISCUSSED IN REFTEL, TO BE MOST

DIFFICULT OF TRADE PROMOTION EVENTS TO PROGRAM IN
LDC. ATTENDANCE AT SUCH A SEMINAR WOULD BE MADE UP OF A
VARIETY OF INDIVIDUALS IN TERMS OF EXPERIENCE, BACKGROUND, AND
TECHNICAL UNDERSTANDING OF SUBJECT. AS CONSEQUENCE,
QUESTION TIMES ARE QUITE LETHAL AS LITTLE DIALOGUE IS
GENERATED BETWEEN SEMINAR MEMBERS AND THEIR AUDIENCE.

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FM AMCONSUL DHAHRAN
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FURTHERMORE, WE HAVE FOUND THAT SEMINAR PAPERS ARE OFTEN
DULL, UNEVEN IN QUALITY, AND OFTEN TOO SPECIALIZED TO BE
USEFUL TO GENERAL AUDIENCE WHICH WOULD BE INVITED TO
ATTEND SEMINAR OF TYPE OUTLINED IN REFTEL. WHAT THIS MARKET
REQUIRES IS A LECTURER WHO INTRODUCES THE SUBJECT WITH
AN ELEMENTARY DISCUSSION AND THEN CARRIES HIS AUDIENCE
TO A POINT THAT IT RECOGNIZES THAT US HAS THE LEADERSHIP
IN THE FIELD. ADDITIONALLY, DHAHRAN IS HOME OF THE
UNIVERSITY OF PETROLEUM AND MINERALS AND WLL PRESENTED
CATALOGUE AND LECTURE SHOW WOULD UNDOUBTEDLY DRAW GOOD

RESPONSE FROM THE POTENTIAL SOURCE OF FUTURE SAUDI
ENGINEERS AND ADMINISTRATIONS. THEREFORE, POST WISHES A TRADE PRO-
MOTION EVENT WHICH SENDS EACH SPECTATOR AWAY SAYING TO
HIMSELF "THE US UNDOUBTEDLY PRODUCES WHAT WE WANT....
WHEN THE TIME COMES TO BUY IT."

6. POST WOULD APPRECIATE HEARING FROM OTHER
ADDRESSEES AS TO THEIR VIEWS ON UTILITY AND SUITABILITY
OF CATALOG SHOW WITH TECHNICAL EXPERT IN THEIR MARKETING AREAS.

IN VIEW OF POST'S HESITATION OVER HOSTING SALES SEMINAR AS SUGGESTED
IN REFTTEL, IT WISHES NOT TO PURSUE MATTER FURTHER UNTIL
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(A) SUGGESTION OF CATALOG SHOW IS GIVEN CAREFUL AND
THOROUGH CONSIDERATION AND (B) SUBJECTS OF SALES SEMINAR
PAPERS AND MEMBER SHIP OF TRADE MISSION ARE RECEIVED TO
SEE IF THEY WILL INTEREST MARKET.
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